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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, FEBRUARY 7, 2002

APPLICATION OF

OLD DOMINION ELECTRIC COOPERATIVE

CASE NO. PUE020003

For a certificate of public
convenience and necessity for
electric generation facilities
in Fauquier County

ORDER FOR NOTICE AND HEARING

On December 28, 2001, Old Dominion Electric Cooperative ("ODEC" or "Company"), applied for a certificate of public convenience and necessity authorizing construction and operation of electric generation facilities in Fauquier County. ODEC proposes to locate generation facilities on a site near the town of Remington in Fauquier County. The proposed location is more particularly described in the public notice prescribed in ordering paragraph (13) of this Order.

The Company plans to build a combustion turbine facility that, according to the Company, is expected to produce a summer rating of 696 MW when fired by natural gas at 94°F, and 788.4 MW when fired by oil at 0°F. The facility is to be owned by Marsh Run Generation, LLC, a not-for-profit cooperative that has one member, Old Dominion Electric Cooperative. According to the application, construction of the facility is to commence in

early March 2003 and commercial operation of this facility is to begin June 1, 2004.

The application states that the proposed facility is located approximately one quarter of a mile from three high-pressure natural gas pipelines owned by Transco, a wholly owned subsidiary of the Williams Company; and that two or more of these interstate pipelines will be accessed to deliver gas to the proposed facility. ODEC's facility will rely on interruptible transportation agreements and spot market purchases of natural gas. Furthermore, the Company's application states that in the event that natural gas is not available on either pipeline, the facility will have oil tanks on-site to provide back-up fuel to the turbines.

ODEC applied for a certificate pursuant to § 56-265.2 of the Code of Virginia. According to the Company, the facilities would supply the electric power needs of each of its twelve distribution cooperative members, ten of which are in Virginia and one in each of Delaware and Maryland.¹

The Commission finds that, as provided by § 56-580 D, and related provisions of Title 56 of the Code of Virginia; this

¹ In our Order of August 3, 2001, in Case No. PUE010313, the Commission determined that § 56-265.2, as well as § 56-234.3, are supplanted by § 56-580 D of the Virginia Electric Utility Restructuring Act with respect to generation and after January 1, 2002. Accordingly, ODEC is not obligated to satisfy the need and/or rate impact standards of § 56-265.2; but it may nevertheless demonstrate such as further support of its application.

matter should be docketed. The Commission will set the application for a certificate and all other issues for hearing before a hearing examiner. The Commission will direct the Company to give notice so that interested persons and agencies may comment and participate in this proceeding. We will also direct the Commission Staff to investigate the application.

Accordingly, IT IS ORDERED THAT:

(1) As provided by §§ 56-46.1, 56-580 D, and related provisions of Title 56 of the Code of Virginia, this matter is docketed as Case No. PUE020003 and all associated papers shall be filed therein.

(2) On or before February 25, 2002, the Company may file with the Clerk any additional testimony and exhibits by which it expects to establish its case.

(3) A hearing to receive evidence and comments from the public on the application for a certificate of public convenience and necessity be held on May 21, 2002, beginning at 10:00 a.m. in the Commission's Courtroom, Second Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia.

(4) As provided by § 12.1-31 of the Code of Virginia and the Commission's Rules of Practice and Procedure ("the Rules"), 5 VAC 5-20-120, a hearing examiner is appointed to conduct all further proceedings in this matter on behalf of the Commission and to file a final report.

(5) On or before March 25, 2002, any person who expects to participate as a respondent shall file with the Clerk at the address set out in ordering paragraph (3) a notice of participation as a respondent and shall serve a copy on counsel to the Company identified in ordering paragraph (4) and on the Office of General Counsel, State Corporation Commission, P.O. Box 1197, Richmond, Virginia 23218-1197. As required by the Rules, 5 VAC 5-20-30, any organization, corporation, or government entity participating as a respondent must be represented by counsel.

(6) Within five (5) days of receipt of a notice of participation as a respondent, the Company shall serve upon each respondent a copy of the application and all materials it has filed with the Commission, unless these materials have already been provided. The Company shall also serve on any respondent all materials it subsequently files with the Commission.

(7) On or before April 8, 2002, written comments on the Company's application may be filed with the Clerk of the Commission at State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, with a copy served on counsel for the Company, the Commission's Office of General Counsel, and all respondents. Comments must refer to Case No. PUE020003.

(8) On or before April 8, 2002, each respondent shall file with the Clerk the testimony and exhibits by which it expects to establish its case and shall serve a copy of the testimony and exhibits on counsel to the Company and on all other parties.

(9) The Commission Staff shall investigate the Company's application and, on or before April 18, 2002, shall file with the Clerk the testimony and exhibits it intends to present at the hearing and copies of any workpapers that support the recommendations made in its testimony. Copies of the Testimony and exhibits shall be served on all parties.

(10) On or before May 6, 2002, the Company may file with the Clerk all testimony and exhibits that it expects to offer in rebuttal to direct testimony and exhibits of the Commission Staff and respondents, and in response to any comments, and shall serve one copy on the Staff and all parties.

(11) Discovery shall be conducted according to Part IV of the Rules.

(12) Forthwith upon receipt of this Order, ODEC shall make available for inspection during regular business hours copies of its application, testimony, exhibits, this Order, and all other materials filed in this proceeding at the Company's place of business at 4201 Dominion Boulevard, Glen Allen, Virginia 23060.

(13) On or before February 25, 2002, the Company shall publish twice as display advertising (not classified) in a

newspaper or newspapers of general circulation in Fauquier County and Culpeper County the following notice:

NOTICE TO THE PUBLIC OF AN APPLICATION BY
OLD DOMINION ELECTRIC COOPERATIVE
FOR APPROVAL OF CONSTRUCTION OF ELECTRIC
GENERATION FACILITIES IN FAUQUIER COUNTY
CASE NO. PUE020003

On December 28, 2001, Old Dominion Electric Cooperative ("ODEC" or "Company"), applied to the State Corporation Commission ("Commission") for a certificate of public convenience and necessity to construct and to operate electric generation facilities in Fauquier County. The proposed facilities would be located on a 252 acre tract at the end of Old Grassdale Road (Rt. 782), east of the Town of Remington, and less than one half mile from Dominion Virginia Power's Remington Power Station.

ODEC applied for a certificate pursuant to § 56-265.2 of the Code of Virginia. According to the Company, the facilities would supply the electric power needs of each of its twelve distribution cooperative members, ten of which are in Virginia and one in each of Delaware and Maryland. The Commission has docketed the Company's application pursuant to § 56-580 D, and related provisions of Title 56 of the Code of Virginia.

The Company plans to build a combustion turbine facility that according to the Company, will produce a summer rating of approximately 696 MW when fired by natural gas at 94°F, and 788.4 MW when fired by oil at 0°F. The facility is to be owned by Marsh Run, LLC, a not-for-profit cooperative that has one member, Old Dominion Electric Cooperative. According to the application, construction of the facility is to commence in early March of 2003, and commercial

operation of this facility is to begin June 1, 2004.

According to the Company, the proposed facility is located approximately one quarter of a mile from three high pressure natural gas pipelines owned by Transco, a subsidiary of the Williams Company, and that two or more of these interstate pipelines will be accessed to deliver gas to the facility. ODEC states that the facility will rely primarily on the spot market to purchase natural gas to be delivered to the interstate pipeline systems. Furthermore, according to the Company, in the event that natural gas is not available by either pipeline, the facility will have oil tanks on-site to provide back-up fuel to the turbines.

The application may be inspected in the Commission's Document Control Center, Office of the Clerk of the Commission, First Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia, during Commission business hours. Copies of the application may also be inspected during regular hours at the Company's place of business, 4201 Dominion Boulevard, Glen Allen, Virginia 23060.

A hearing to receive evidence and comments from the public on the application for a certificate of public convenience and necessity for the generation facilities will be held on May 21, 2002, at 10:00 a.m. in the Commission's Courtroom, Second Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia.

On or before March 25, 2002, any person who expects to participate as a respondent shall file with the Clerk at the address set out above a notice of participation as a respondent, as required by the Commission's Rules of Practice and Procedure, 5 VAC 5-20-80 B, and shall serve a copy on counsel to

the Company, John A. Pirko, Esquire, LeClair Ryan 4201 Dominion Boulevard, Suite 200, Glen Allen, Virginia 23060, and on the Office of General Counsel, State Corporation Commission, P.O. Box 1197, Richmond, Virginia 23218-1197. The respondent shall file and serve the notice of participation as required by Rules, 5 VAC 5-20-140 and 5 VAC 5-20-150. Any organization, corporation, or government entity participating as a respondent must be represented by counsel as required by the Rules, 5 VAC 5-20-30. The Commission's Order for Notice and Hearing gives the complete procedural schedule and instructions on participation in this case.

Any person not participating as a respondent may give oral testimony at the hearings as a public witness. These persons should arrive at the hearing location at least 15 minutes before the start of the hearing and contact the Commission's Bailiff.

Individuals with disabilities who require an accommodation to participate in the hearing should contact the Commission at least seven (7) days before the scheduled hearing date at 1-800-552-7945 (voice) or 1 -804-371-9206 (TDD).

On or before April 8, 2002, written comments on the company's application shall be filed with the Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, with a copy served on counsel for the Company, the Commission's Office of General Counsel, and on all respondents. Such comments must refer to Case No. PUE020003.

A copy of the Order for Notice and Hearing may be obtained from the Clerk of the Commission. The text of the Order may be viewed at the Commission's Web site:
<http://www.state.us/scc/caseinfo/orders.htm>.

The Rules of Practice and Procedure and other information may also be viewed on the Web site.

OLD DOMINION ELECTRIC COOPERATIVE

(14) On or before February 25, 2002, the Company shall serve a copy of this Order on the chairman of the board of supervisors of Fauquier County and Culpeper County, the mayor of the town of Remington, the Secretary of Natural Resources, the Director of the Department of Environmental Quality, and upon the representative of every public service cooperative listed on Attachment A of this Order. Service shall be made by first-class mail or delivery to the customary place of business or residence of the person served.

(15) On or before March 11, 2002, the Company shall file with the Clerk proof of the newspaper publication and proof of service required by ordering paragraphs (13) and (14).